

2000 Florida

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Phosphate Facts

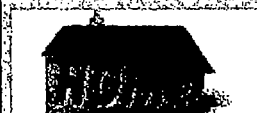
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General Footnote: The data in this fact sheet was obtained from the Florida Phosphate Council's six member companies and one non-member company.



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2001

The beginning of the new millennium continues to present challenges for the phosphate industry. New competitors and lower demands for phosphate-based fertilizers in this country have contributed to a weaker market and production cutbacks. The industry is meeting these challenges with workforce adjustments and market strategies that give promise for optimism. World population growth will require nearly three times today's farm output by the year 2050. Feeding this growing population continues to be a formidable challenge for agriculture, supported by the thousands of men and women who mine and process Florida phosphate rock. In spite of our present challenges, the future is viewed with increased optimism as we continue to feed our state, nation, and the world.

Production

During 2000, 28.6 million metric tons of phosphate rock were extracted from 5,385 acres of land.

Florida provides approximately 75 percent of the nation's phosphate supply and approximately 25 percent of the world supply.



Nitrogen, phosphate, and potassium are the three primary nutrients in fertilizer. For phosphate rock mined in Florida, 90 percent is used to make fertilizer. Of the remaining 10 percent,

half is used in animal feed supplements. Phosphate is also used in a variety of products, including vitamins, soft drinks, toothpaste, light bulbs, film, bone china, flame-resistant fabric, optical glass, and other consumer goods. There is no substitute or synthetic for phosphorous, which is essential for life in all growing things, plants, and animals alike.



Formed in Florida many million years ago, phosphate rock is insoluble. It must be converted into soluble finished products for use in fertilizer.

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Major Finished Products

(Short tons available to be shipped)



Diammonium Phosphate (DAP)	8,713,750
Monoammonium Phosphate (MAP)	2,280,482
Superphosphoric Acid	625,430
Triple Super Phosphate	1,218,836
Phosphoric Acid	270,385
Animal Feed Supplements	1,142,754
Sulfuric Acid	192,402

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Guiding Principles



Operating in a safe and environmentally sound manner makes economic sense and is a fundamental part of the Florida Phosphate Council's Guiding Principles (GPs). The GPs form the basis of a commitment by our member companies which cover all phases of the industry's operations in the local and global communities in which we conduct business. They reflect the industry's commitment in our employees, communities, and the environment.

In 2000, the phosphate industry gave more than \$1.6 million for the benefit of United Way agencies in Florida. Also \$678,464 was

donated to other charities for a combined average donation of \$357 per phosphate industry employee. In addition, many public service and community organizations and agencies benefited from the commitment of time and financial support by the industry.

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Employment



At year-end 2000, 6,593 employees received a total payroll of more than \$415.9 million, including fringe benefits. And, for each of these jobs, at least five others exist because of the industry. Additionally, thousands of other jobs exist out side of the state in shipping, processing, blending, farming, and other related industries.

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Taxes

In addition to jobs, the industry makes an important economic contribution to Florida in the form of the taxes and fees paid each year. In 2000, more than \$95.4 million in severance, property, sales, and other taxes and fees were paid.

Severance Tax Paid since 1971	\$1,391,683,601
Severance tax paid in 2000	41,579,076
Property taxes paid to counties in 2000	33,169,916
Sales taxes paid in 2000	17,899,309

Currently, the first \$10 million collected in severance tax each year is directed to the Conservation and Recreation Lands Trust Fund (CARL). The state uses this money to purchase environmentally sensitive lands. Since 1979, the CARL program has received over \$472 million from the phosphate industry severance tax. The remaining money collected in severance tax each year is now divided among the state's general revenue fund, the mining counties, and the Florida Institute of Phosphate Research (FIPR). Although funded by the phosphate severance tax, FIPR is an independent state research agency created by the

Florida Legislature in 1978.

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Investment

The industry owns or has mineral rights to 464,753 acres of Florida land. It also has a multi-billion dollar capital investment in the state. It is estimated that \$194 million will be spent on new construction and replacement of plants and equipment in 2001.



In 2000, the industry spent \$70 million on capital expenditures for systems to control and treat pollution and conserve water. An additional \$82 million was spent to operate, maintain, and monitor these pollution control and water conservation systems. Total environmental control costs for the phosphate industry were \$154 million in 2000.

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General Expenditures

The industry purchases a variety of supplies and services.

Total Equipment and Supplies	\$1,148,655,139
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Services

Electricity	\$ 111,388,686
Telephone	\$ 3,951,755
Other Services (Florida only)	\$ 110,488,856

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Transportation

Most phosphate rock and products are transported by truck or rail to ports where they are shipped overseas or across the Gulf of Mexico to the Mississippi River. Land transportation costs for

2000 were:

Truck	\$ 33,503,002
Rail	\$138,420,429

In addition, more than \$8.5 million was spent for the use of pipeline transmission to and from the Port of Tampa. During fiscal year 2000, 20,304,357 tons of phosphate-related materials were shipped through the port. Nearly 41 percent of the liquid and bulk tonnage shipped through the Port of Tampa was phosphate-related. The Port of Tampa is the state's largest in tonnage shipped and ranks in the top 12 nationally.

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Exports



Though the industry's most important market is domestic, phosphate exports play a major role in the industry's viability and Florida's economy. The phosphate industry provides

the number one export from the Port of Tampa. During 2000, the Port of Tampa reported 45 countries as phosphate export destinations. China was the major export destination with 2.8 million net tons of phosphatic chemicals followed by Australia, Brazil and India. According to Enterprise Florida, Inc., fertilizer was one of the state's leading export commodities with a 2000 value of \$1.128 billion.

The International Fertilizer Industry Association reported that during the latest reporting period (1996-1998), the United States accounted for 61 percent of world trade in ammonium phosphate, mostly in the form of diammonium phosphate (DAP).

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Reclamation

Since July 1, 1975, Florida law requires that all mined lands must be reclaimed. In the last 10 years, \$335,190,262 has been spent on mandatory and non-mandatory reclamation projects with the industry in compliance with reclamation requirements. Mined land has been reclaimed for commercial, industrial, agricultural, recreational and residential purposes. Sanctuaries for birds and other wildlife have been established on reclaimed lands. Since 1980, nearly 22 million trees have been planted. The companies have also donated thousands of acres of land to state and public entities for recreation and wildlife habitat.



The industry continues to work with the Department of Environmental Protection and other agencies to achieve reclamation results that help restore ecosystems and benefit wildlife.

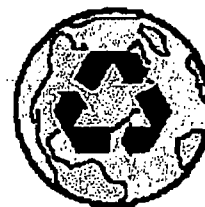
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Water



The industry is well aware of its need to conserve water as a valuable resource. Industry-wide, about 95.6 percent of the water needed in the mining process is reused. This is done by recovering, storing, and recirculating the water. In the manufacturing processes, 90.5 percent of the water used is also captured and recycled.

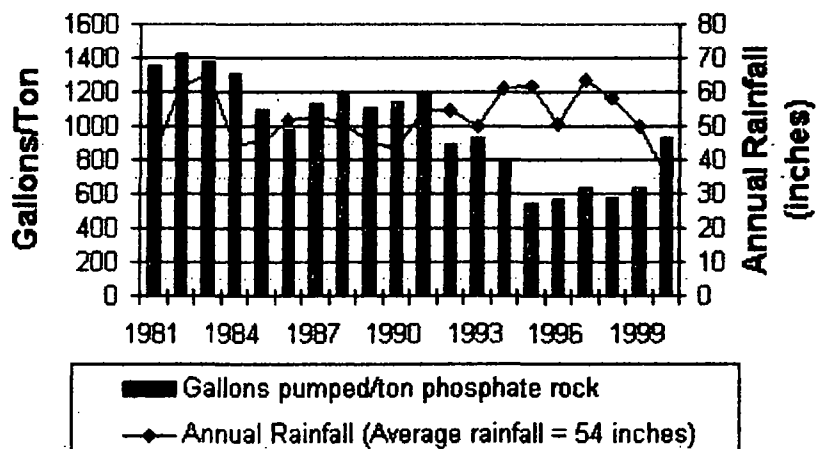
To further reduce the industry's need for ground water and to assist local governments, some facilities utilize treated domestic wastewater as part of the makeup water needed to operate. In 2000, this industry use allowed local governments to dispose of more than 2.4 million gallons of domestic wastewater each day. An additional 8 million gallons of domestic wastewater discharges were used daily as a heat source and returned to the wastewater facility as cooling water, conserving energy and ground water resources. The industry continues to pursue other opportunities to utilize domestic wastewater in its operations.



Year	Mining Water Gallons/Day Pumped	Rock Produced MMT	Gallons of Water per Ton of Rock	Annual Inches of Rainfall
1991	117,485,900	36.2	1,185	54.8
1992	88,417,600	36.2	892	54.9
1993	64,535,036	25.2	935	50.2
1994	62,405,789	29.0	785	61.1
1995	50,125,000	33.8	541	61.7
1996	56,034,000	36.2	565	50.8
1997	56,843,000	32.8	633	63.1
1998	53,660,900	34.0	576	58.1
1999	52,243,741	30.2	631	50.2
2000	73,111,206	28.6	933	35.8

In order to reduce groundwater pumping as requested by Water Management Districts, the industry has been increasing its use of rain that falls on its lands. Accordingly, groundwater pumping has been generally decreasing throughout the 1990's. However, groundwater pumping increased in 2000 due to the record drought affecting the state.

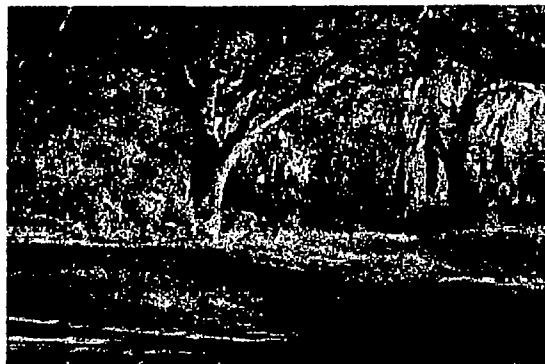
Groundwater Pumping and Rainfall



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Environment

The protection of the environment is a primary concern for member companies and their employees as witnessed by the voluntary adoption of the Council's Guiding Principles. This initiative, noted earlier, calls for member companies to build upon the existing practices in protecting their employees, communities, and the environment.



Phosphate companies work closely with environmental organizations, citizen groups, and regulatory agencies to address industry issues. Many of the requirements, with which the industry complies, were developed through consensus-building initiatives.

Our concerns, however, reach beyond compliance. Industry members work with environmental and community representatives to open lines of communication, explain industry

processes, and address possible industry concerns.

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Safety



The industry is proud of its safety record and employee safety training programs. During 2000, there were 14,090,608 man-hours worked. Employees averaged 560,000 hours of work for every lost time accident. Further, concern for safety extends not only to member company employees and their neighbors, but also to companies which provide contract workers for the industry. A contractor safety training program is required for the safety of those who work at member company sites. During 2000, more than 5,000 contractors received the basic and refresher Occupational Safety and Health Administration approved course. The curriculum is regularly reviewed and updated.

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The Future

The outlook for the fertilizer industry is strong. The Florida fertilizer industry continues to adapt to a global market. Florida mines and fertilizer plants are cost-efficient and competitive in the world market place and are willing to make the changes necessary to remain so. With a transportation infrastructure in place and ample reserves, our industry is ready to meet national and world needs.



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